MORIHARA LAU & FONG LLP

A LIMITED LIABILITY LAW PARTNERSHIP

March 3, 2010

The Honorable Chairman and Members of the Hawaii Public Utilities Commission 465 South King Street Kekuanaoa Building, Room 103 Honolulu, Hawaii 96813 Attention: Michael Azama, Esq.

Re: Docket No. 2009-0048 – In the Matter of the Application of Molokai Public Utilities, Inc., for review and approval of rate increases; revised rate

schedules; and revised rules: Status of Settlement Discussions

Dear Commissioners and Commission Staff:

Although settlement discussions have been initiated, the parties have not yet reached any agreement. The parties intend to continue settlement discussions and will apprise the Commission if any agreement is reached.

Thank you for your consideration. If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

Yvonne Y, Izu

Morihara Lau & Fong LLP Attorneys for Molokai Public Utilities, Inc.

c: Consumer Advocate Mr. Peter A. Nicholas Margery S. Bronster, Esq. (COM) William W. Milks, Esq. (WMA) Andrew V. Beaman, Esq. (MPL)